

RISING HOUSTON SALES

Dollar Sales
(Billions)

2.50

2.25

2.00

1.75

1.50

1.25

1.00

.75

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1948

1958

1963

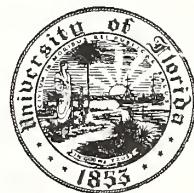
1968

1972

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RISING HOUSTON SALES

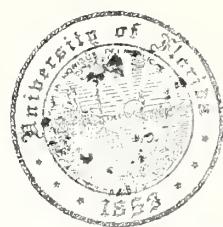
Retail, Wholesale, and Service
Business
1963 and 1958 Comparison

By

John R. Young

Center for Research in Business and Economics
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Houston, Texas
February, 1966



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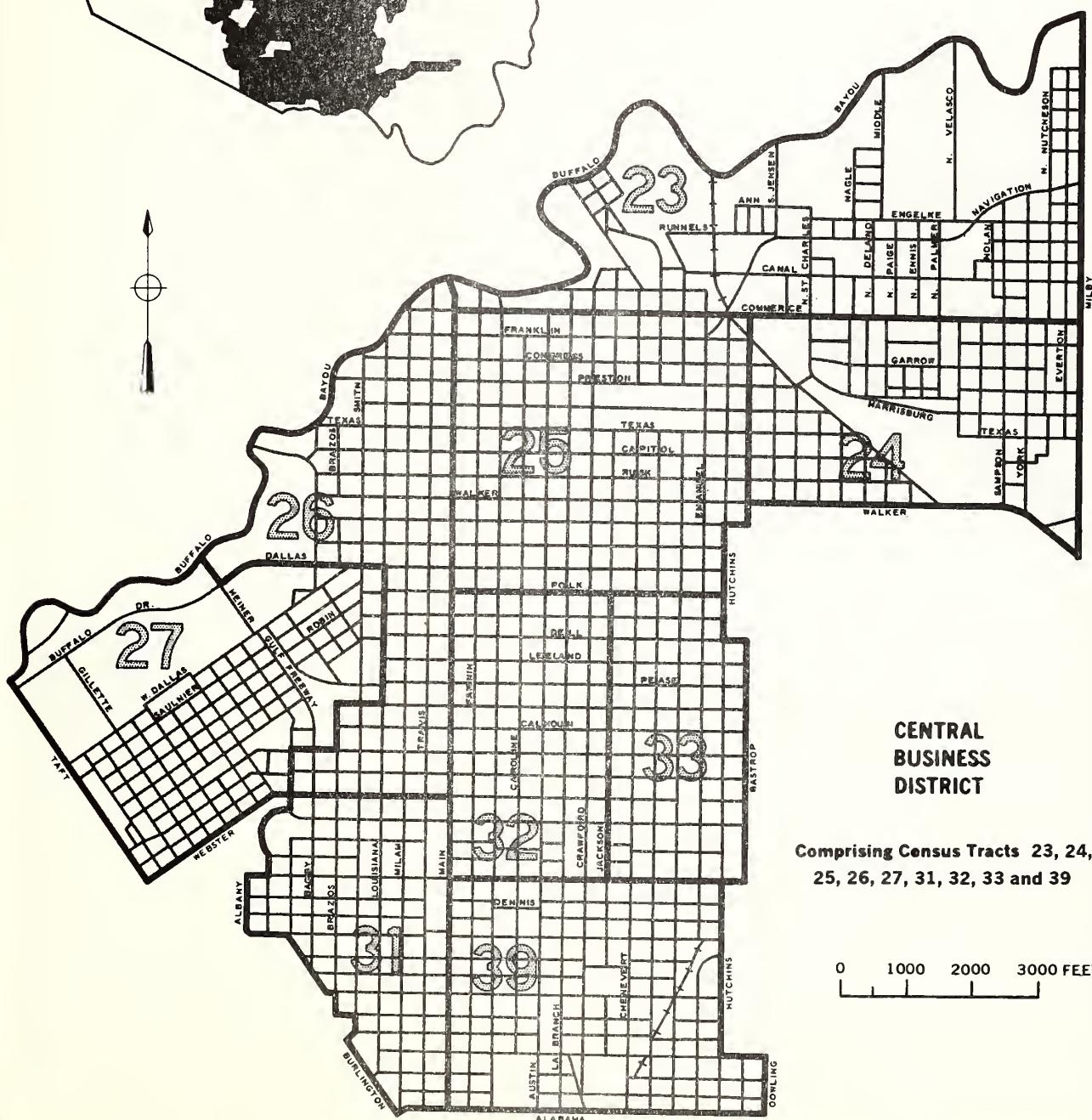
HOUSTON, TEXAS

Standard Metropolitan Statistical Area, Central Business District, and Major Retail Centers



STANDARD METROPOLITAN
STATISTICAL AREA
& CENTRAL CITY

0 10 20 30 MILES



CENTRAL
BUSINESS
DISTRICT

Comprising Census Tracts 23, 24,
25, 26, 27, 31, 32, 33 and 39

0 1000 2000 3000 FEET

Introduction

The U. S. Government's Department of Commerce publication, Census of Business, is of special interest to the business community for a number of reasons. A comparison of figures from the most recent census with that of preceding publications, for example, is useful in describing a number of dimensions of growth of an area or a community. Included in these dimensions of growth are retail sales, wholesale trade, and receipts of selected service businesses. Suppliers of investment capital, as another example, examine particular businesses for evidence of growth (or decline). Statistics contained in the publication, when compared to previous issues, may be helpful in measuring business opportunity. The publication has valuable information for those who are interested in the average or typical size of a certain type of business--size measured by either an average or a range of annual sales volume, or by the number of paid employees. Since the publication also has data relating to payrolls, persons who are interested in determining trends of average wages or salaries for particular businesses can obtain useful information. Finally, those who have a particular interest in the retailing scene, with special curiosity as to suburban shopping center development trends, can obtain data relating to central business district sales as compared to those in outlying areas.

The purpose of this study is to examine the portion of this census which deals with retail, wholesale, and selected service business for the State of Texas, Houston, and Harris County for the years 1963 and 1958. The 1963 issue of the Census of Business has been available only a limited number of months, and some of the analyses which make up this census had

still not been received by the field office of the Department of Commerce in Houston at the time of this writing.

Summary of Texas Figures

During the six-year period covered by this study, retail sales in Texas increased by about 12 per cent in constant dollar volume, mostly because of relatively large increases in sales of establishments in the general merchandise category and automotive dealers. In 1963, there were slightly less than 100,000 retail establishments in the state, representing a 3 per cent increase over 1958. Average annual sales per establishment for Texas increased from about \$108,900 in 1958 to approximately \$131,800 in 1963. Average weekly earnings of retail employees in 1963 were about \$60, compared with \$53.50 for 1958. Of ten selected trading areas in Texas--excluding Houston--Lubbock, Austin, and Amarillo showed gains, in constant dollars, of between 20 and 30 per cent for the six-year period, while Galveston, Corpus Christi, and the Beaumont-Port Arthur area had either slight increases or, in the case of Corpus Christi, a small decline.

More than one-third of the retail sales volume for the state came from some 2 per cent of the establishments in 1963, and about 37 per cent of the small volume establishments were responsible for only about 3 per cent of total sales.

Wholesale sales for Texas during the six-year period increased by about 27 per cent. These establishments averaged approximately \$1 million in sales for 1963. Average weekly earnings of employees in the wholesale group were \$105 in 1963, approximately \$45 more a week than those of retail workers.

Approximately 60,000 service establishments in the state had receipts in 1963 totaling \$1.9 billion, which represents a gain over 1958 of about 28 per cent in constant dollar volume--more than double the increase of retail trade. Average annual receipts for service establishments were slightly over \$30,000, ranging from a high of \$66,000 for miscellaneous business services to a low of about \$18,000 in the personal services category.

Retail sales for the State of Texas in 1972, based on a least squares projection technique, should be about \$14.7 billion, expressed in 1958 dollars, which represents an increase of approximately 22 per cent over the 1963 volume.

Summary of Houston Figures

Houston retail sales, for the six-year period, increased in constant dollar volume by about 21 per cent, exceeding the 12 per cent gain for the state. The largest increases for Houston were in the general merchandise category and automotive dealers. Despite a significant gain in sales, the number of retail establishments increased very slightly during the period. Average annual sales per establishment increased from \$139,000 in 1958 to \$175,000 in 1963. Average weekly earnings for retail employees in 1963 were \$66, compared with about \$59 for 1958--both figures being somewhat above the Texas averages. Slightly more than one-third of Houston's retail firms had sales volumes of less than \$30,000 for 1963, and about 3 per cent of the establishments had sales volumes of more than \$1 million or more.

Houston consumers in 1963 spent about 40 per cent of their retail dollars for food and automobiles. They also spent more for packaged alcoholic beverages and tobacco products than they spent for men's and boys' clothing. Houstonians spent about twice as much for women's and girls' apparel as they did for men's and boys' clothing. Expenditures for alcoholic beverages exceeded amounts spent for footwear.

Houston department stores in 1963 were responsible for the sale of more than twice as much women's and girls' apparel as were women's clothing stores. The department stores sold almost as much footwear as was sold in shoe stores. They sold more hardware than was sold by hardware stores, and their volume of major appliances was almost four times that of household appliance stores.

Retail sales for Metropolitan Houston (Harris County) increased by 21 per cent, as pointed out previously, but sales in the central business district decreased by 5 per cent, during the six-year period of analysis. At the same time, sales of establishments in suburban Houston (the difference between Metropolitan Houston and the central business district) increased by 35 per cent.

Of the planned suburban shopping centers in Houston, Gulfgate Shopping City showed the largest increase during the six-year period, somewhat more than 80 per cent in unadjusted dollar volume. Also, Gulfgate was the only shopping center having a sales volume in excess of \$50 million, while Sharpstown Center had sales of about \$32 million.

Houston's wholesale trade volume increased, during the six-year period, by about 23 per cent. Average weekly earnings for wholesale employees during 1963 were approximately \$117, as compared with \$105 for the state as a whole. Average annual wholesale sales per establishment were \$1.6 million in 1963 as compared with \$1 million for the state.

Service establishments for Houston did about 42 per cent more business in 1963 than in 1958, expressed in constant dollars. Average annual receipts per service establishment were \$44,000, some \$14,000 higher than the average for the State of Texas.

Houston retail sales in 1972 should be approximately \$2.3 billion, representing an increase over 1963 of about 26 per cent.

State of Texas FiguresRetail Sales

The total volume of retail sales in the state for the year 1963 was estimated to be \$12.7 billion as compared with about \$10.7 billion in 1958. This represents an increase of \$2 billion on the basis of unadjusted dollar volume or almost a 19 per cent increase. By deflating the 1963 dollars to the level of those of 1958, the increase in physical volume is slightly less than 12 per cent.

Between 1958 and 1963, sales of food establishments in the state increased by more than \$300 million, representing an increase in dollar volume of slightly over 12 per cent, and an increase in physical volume (computed by deflating the 1963 food dollar to 1958 price levels) of somewhat over 10 per cent. Sales in the general merchandise group increased by almost \$400 million, representing an increase in dollar volume of about 33 per cent, and an increase in physical volume of slightly more than 26 per cent. Apparel sales increased by about 15 per cent and 9 per cent in dollar and physical volume respectively. Automotive dealer sales for Texas increased by more than \$600 million from 1958 to 1963, an increase of about 30 per cent in dollar volume and approximately 23 per cent in physical volume. Table 1 presents a tabulation of retail sales for the State of Texas for 1963 and 1958, expressed in 1958 dollars.

The number of establishments engaged in retailing in the state showed an increase during this period from about 96,000 in 1958 to approximately 99,000 in 1963, representing a gain of 3 per cent. This continues a trend that has held in the state for some time. There were about 84,000 establishments in 1948 and around 91,000 in 1954. However, since the increase in sales,

Table 1
RETAIL TRADE--STATE OF TEXAS
(In 1958 Dollars^a)

Retail Store Category	1958 (000)	1963 ^b (000)	Per Cent Change
Total	10,792,599	12,077,675	11.9
Lumber, Building, Hardware	848,858	795,627	5.6 ^c
General Merchandise Group	1,172,663	1,486,065	26.7
Food Group	2,601,591	2,882,472	10.7
Automotive Dealers	2,083,119	2,568,610	23.3
Gasoline Service Stations	879,752	972,006	10.5
Apparel and Accessory Stores	624,215	680,735	9.1
Furniture, Furnishing, Appliances	494,474	494,673	.4
Eating and Drinking Places	594,744	689,247	15.9
Drug Group	376,178	426,297	13.3
Other Retail Stores	890,495	955,489	7.3

^aDeflation involved use of appropriate BLS Indexes for specific categories or all item index when applicable.

^bSum of specific items does not equal total because of omissions, rounding, and use of different indexes for deflation.

^cDecrease

SOURCE: 1963 Census of Business, Retail Trade, Texas, Bulletin BC63-RA45, U. S. Department of Commerce, Bureau of the Census.

expressed either in dollar volume or physical volume, has been greater than the increase in the number of establishments, it may be concluded that, typically, retailing is more and more concentrated in larger volume establishments. Additional evidence of this conclusion is pointed out later in a discussion of average annual sales per establishment.

The fact that the total number of establishments for the state increased between 1958 and 1963 does not necessarily mean that this was true in all categories. The following major groupings showed increases in the number of establishments: automotive dealers; gasoline service stations; apparel and accessory stores; and, "other"--which includes liquor stores, antique dealers, book and stationery stores, sporting goods and bicycle dealers, and farm and garden supply stores. On the other hand, the following showed decreases: hardware, lumber and building materials dealers; the general merchandise group (but not department stores); food stores (the most important sub-category here being supermarkets); furniture and home furnishings stores; eating and drinking establishments (slightly fewer eating places and somewhat more drinking establishments); and, drug stores (a slight decrease). With the exception of automotive dealers and perhaps some apparel and accessory stores, most of the categories showing increases in the number of establishments are not typically the large volume establishments that some of those showing declines would normally tend to be, particularly the general merchandise and food store groups.

Additional evidence that retail sales tend to be more concentrated in larger establishments is found by one's examining average annual sales per establishment. The over-all average for all retail stores for the state in 1963 was approximately \$131,800. In 1958, this average was \$108,900, and it was \$98,000 in 1954. The average for all stores in 1948 was \$76,000.

The average annual sales volume per food establishment was \$173,500 in 1963, and \$141,700 in 1958. In the general merchandise group, the two figures were \$410,700 and \$230,400. Comparison of these two averages for department stores for the two years indicates very little change.

The Census of Business also contains information on total payrolls and number of paid employees for the full workweek ending on or about November 15. The average weekly earnings for all retail employees in the state for that particular week in 1963 was approximately \$60, compared with \$53.50 for 1958. The average weekly earnings for all retail employees for the same week in 1954 were only slightly less than those of 1958, specifically \$51. Average weekly earnings for employees in the general merchandise group were about \$56 in 1963, as compared with approximately \$53 in 1958. In the food store group, the 1963 figure of \$56 was about \$3 above the 1958 average. Department store employees' weekly earnings in 1963 were around \$64, which was almost the same as the 1958 figure. Weekly earnings for employees in the furniture and home furnishings category were about \$77, \$12 per week greater than in 1958. Workers in the apparel group earned about \$54 per week in 1963, while they earned approximately \$50 in 1958. A rather significant difference was found in the weekly earnings of employees of automotive dealers when the two years are compared. The 1963 figure was slightly over \$90, while it was about \$75 in 1958.

While the increase in retail sales for the State of Texas, expressed in 1958 dollars, was about 12 per cent, there was considerable variation in the important trading areas throughout the state when compared to this increase. An analysis of ten selected trading areas (excluding Houston), defined by the Census of Business as Standard Metropolitan Statistical Areas,

indicates that the per cent of change ranged from an increase of slightly over 28 per cent for the Lubbock trading area to about a 2 per cent decline for Corpus Christi. Table 2 shows a comparison of sales for each of these trading areas, together with percentages of change.

A separate bulletin of the Census of Business relates to retail sales broken down by annual sales volume. Table 3 makes a comparison of 1958 and 1963 ratios, showing both the per cent of establishments in each sales size category and the ratio of sales made by that sales-size group. The fact that around 2 per cent of establishments are responsible for roughly one-third of total retail sales for the state is additional evidence that retailing tends to be more and more concentrated in larger volume establishments. On the other hand, since approximately two-fifths of the establishments have sales volumes of less than \$30,000, it is equally evident that there are a significant number of small retailing businesses in existence.

As the table reveals, slightly more firms in 1963 were in the \$1 million and over sales-size category, as compared with 1958, and somewhat fewer companies were in the \$30,000 or less size group. This may be attributable to the increased size of the typical establishment, but it is more likely that somewhat higher price levels in 1963 are responsible.

In the general merchandise group, which consists of department stores, dry goods establishments, and limited variety stores among others, more than 60 per cent of sales were made by about 3 per cent of the establishments. From the "food group," grocery store (primarily supermarkets) sales, slightly less than 40 per cent of volume came from about 4 per cent of the stores.

Table 2

RETAIL TRADE--STATE OF TEXAS
A COMPARISON OF TEN SELECTED TRADING AREAS
(In 1958 Dollars^a)

Trading Area	1958 (000)	1963 (000)	Per Cent Change
Amarillo	211,286	253,583	20.1
Austin	218,716	270,570	23.7
Beaumont, Port-Arthur	349,633	368,780	5.5
Corpus Christi	254,688	250,823	1.5 ^b
Dallas	1,472,860	1,718,320	16.7
El Paso	323,678	360,216	11.3
Fort Worth	744,932	809,615	8.7
Galveston	152,165	155,052	1.8
Lubbock	213,817	274,838	28.5
San Antonio	679,661	766,658	12.8

^aDeflation involved use of appropriate BLS Indexes for specific categories or all item index when applicable.

^bDecrease

SOURCE: 1963 Census of Business, Retail Trade, Texas, Bulletin BC63-RA45, U. S. Department of Commerce, Bureau of the Census.

Table 3
 RETAIL TRADE--STATE OF TEXAS
 BY SALES SIZE

Annual Sales Size Category	1958		1963	
	Per Cent of Establishments	Per Cent of Sales	Per Cent of Establishments	Per Cent of Sales
\$1,000,000 or more	1.4	29.9	2.1	35.6
\$500,000 - \$999,999	2.2	13.5	2.8	13.8
\$300,000 - \$499,999	3.1	10.6	3.7	10.1
\$100,000 - \$299,999	16.4	23.9	19.5	22.8
\$50,000 - \$99,999	18.4	11.5	20.3	10.3
\$30,000 - \$49,999	15.6	5.4	14.4	3.9
Less than \$30,000	<u>42.9</u>	<u>5.2</u>	<u>37.2</u>	<u>3.5</u>
TOTAL	100.0	100.0	100.0	100.0

SOURCE: 1958 and 1963 Census of Business, Bulletins BC58-RS1 and BC63-RS2, U. S. Department of Commerce, Bureau of the Census.

Wholesale Trade

The portion of the 1963 Census of Business dealing with wholesale trade indicates that the volume of wholesale sales for the State of Texas was about \$18.3 billion, an increase of about \$4 billion over 1958. This represents an increase in dollar volume of approximately 27 per cent. For purposes of the analyses in this study, no attempt is made to convert wholesale sales figures of 1963 to the price level of 1958. The reason for this is the fact that wholesale price indexes for the two years were almost identical, which means that changes in physical volume would correspond very closely to dollar volume changes. The most important categories of wholesale trade for 1963, expressed in terms of dollar volume, are as follows: groceries and related products, \$2.7 billion; farm product raw materials, \$2.6 billion; and, motor vehicles and automotive equipment, \$2.2 billion. Almost all of the major categories of wholesale trade--as well as the sub-divisions within a category--showed sales increases from 1958 to 1963. Two exceptions to this were wholesale sales of fresh fruits and vegetables, showing a decrease of about \$2 million, and, tobacco and tobacco products wholesale volume which declined by about \$24 million.

Changes in dollar volume (which would closely correspond to changes in physical volume, as pointed out previously) of some of the more important categories of wholesale trade for the state between 1958 and 1963 would include: Grocery and related products showed a 23 per cent increase; dry goods and apparel was up by about 31 per cent; the increase in electrical goods volume was 34 per cent; hardware, plumbing, and heating supplies volume increased by 13 per cent; motor vehicles and automotive

equipment sales were greater by about 59 per cent; and, machinery and equipment supplies wholesale volume was 16 per cent greater.

Weekly earnings of employees engaged in the wholesale trade in the state during the workweek ending on or about November 15, 1963, were about \$105, which is approximately \$45 higher than average weekly earnings for retail employees during the same workweek. Some of the weekly earnings for employees in particular wholesale businesses include: motor vehicles and automotive equipment, \$106; dry goods and apparel, \$97; groceries and related products, \$89; electrical goods, \$126; hardware, plumbing, and heating supplies, \$109; tobacco and tobacco products, \$86; petroleum bulk stations and terminals, \$98; and beer, wine, and alcoholic beverage dealers, \$104.

Average annual sales per wholesale establishment during the year 1963 were approximately \$1 million. The average for motor vehicle and automotive parts wholesalers was about \$1.1 million, while it was around \$1 million for dry goods and apparel wholesale establishments. The average sale per grocery and related products establishment for the year was \$1.3 million; \$1.1 million for electrical products wholesalers; \$.8 million for hardware, plumbing, and heating equipment establishments; \$.5 million for petroleum bulk stations and terminals; \$1.7 million for tobacco and tobacco products wholesalers; and, \$1.1 million for beer, wine, and alcoholic beverage wholesale establishments.

Almost two-thirds of the wholesaling establishments in the state during 1963 were of the merchant wholesaler type, the so-called full-service wholesaler who normally performs most of the important wholesaling functions, particularly keeping stocks, taking title to merchandise in which he deals, and often providing credit to customers with whom he deals. Approximately

13 per cent of the establishments were classified as "other," and included particularly petroleum bulk stations and terminals and assemblers of farm products. About 9 per cent were classified as manufacturers' sales branches and sales offices, while about 7 per cent of them were agents and brokers.

Service Establishments

The section of the 1963 Census of Business dealing with receipts of selected service establishments should be of interest to various groups. On the one hand, consumers would normally tend to be interested in statistics of this area, because of the claim that the cost of services in recent years has represented a higher proportion of total consumer expenditures. It also is assumed that data on services would be of interest to those persons contemplating the establishment of various types of service businesses.

Receipts of approximately 60,000 service establishments in the State of Texas amounted to about \$1.9 billion in 1963, compared with approximately \$1.4 billion in 1958. This represents a gain of about 35 per cent in dollar volume and an increase of approximately 28 per cent in terms of 1958 consumer price levels.

The dollar volume receipts of establishments classified in the personal services category, which includes laundry, dry cleaning, beauty and barber shops, and similar establishments, increased by about 25 per cent in dollar volume between 1958 and 1963, representing a gain of around 19 per cent in 1958 dollars. Receipts of auto repair, auto services, and garage establishments showed gains of about 28 per cent in dollar volume and about 21 per cent in physical volume. The miscellaneous repair service category--including appliance, watch, clock, jewelry, and furniture repair--increased by 38 per cent in dollar volume and by 31 per cent in

1958 dollars.

A comparison of the increases in either dollar or physical volume for service establishments in the state between 1958 and 1963 with increases in sales volume of retail establishments indicates that the increases shown by the former exceeded by a rather considerable amount the increases of the latter. It will be recalled that the over-all increase in sales for all retailing establishments was around 19 per cent in dollar volume and about 12 per cent in physical volume, compared with increases of 35 per cent and 28 per cent, respectively, in dollar and physical volume, for receipts of service establishments. From this, it would be highly questionable to conclude that a greater portion of total personal consumption expenditures is going for services rather than for goods, but perhaps it would be reasonable to suggest that this might be a possibility.

Average annual receipts for all service establishments in the state during 1963 were approximately \$31,000 per establishment, considerably less than the average sales per establishment in wholesaling of about \$1 million and around \$132,000 for sales per retailing establishment. Service businesses for many years have been characterized by small, rather than large, operations. If the assumption of a relationship between size of business and efficiency is considered valid, then questions could be raised as to the efficiency of the average service establishment, as compared with either the typical retailing or wholesaling venture. Somewhat related questions also could be raised relative to the impact of prices charged by some of the less efficient service establishments. Perhaps it could be assumed that if there were fewer establishments in some of the categories--making it possible for these firms to be bigger--they could be

more efficient and perhaps charge somewhat lower prices. On the other hand, it could be argued that the relative ease of entry into many of these service businesses provides the broad competitive environment which induces both efficiency and the charging of prices which include relatively small returns on investments.

The approximately \$31,000 average annual receipts per service establishment also is relatively small when expressed on the basis of daily receipts. If it is reasonable to assume that there are about 315 working days during a 365-day year, then receipts per day are slightly less than \$100. Average annual receipts per establishment in the personal services category are approximately \$18,000, or not much more than \$50 per day. This category includes laundries, dry cleaning establishments, beauty and barber shops, and shoe repair businesses, all of which are typically small firms. Average annual receipts per establishment in the miscellaneous business services group, which includes advertising and public relations, credit bureaus, collection agencies, and mailing services, are considerably higher, about \$66,000, or slightly more than \$200 per working day.

Average annual receipts per establishment in the auto repair, auto service, and garage category are about \$30,500, and again, slightly less than \$100 receipts per day. The same average for miscellaneous repair businesses, particularly appliances, clocks and watches, and furniture, is about \$21,000, or around \$70 per working day. Average annual receipts per establishment in the motion picture category (down from 1958) were about \$83,000, or around \$230 per day for a 365-day year. Finally, receipts for other amusement and recreation service businesses were about \$31,000 per establishment for the year, or about \$85 per day.

1968 and 1972 Retail Sales Projection

As a final topic in an analysis of State of Texas figures, a projection of retail sales through 1968 and 1972 is presented. The procedure employed is that of the widely used statistical technique, the least squares method. By interpolating figures between known values (1948, 1954, 1958, and 1963), all expressed in 1958 dollars, and by using the standard least squares technique, a trend line with projections through 1972 is presented as Chart 1. It is believed that the trend line is an acceptable "fit" to the extent that it matches almost perfectly the four actual values.

State of Texas retail sales in 1968 should be approximately \$13.6 billion and about \$14.7 billion in 1972, both figures being expressed in terms of 1958 dollars. The 1972 estimate represents an increase of 22 per cent, as compared with the known 1963 sales volume.

Metropolitan Houston Figures

The second and concluding section of this study relates to estimated retail sales, the volume of wholesale trade, and receipts of service establishments for Metropolitan Houston, which the Census of Business defines as a SMSA or a Standard Metropolitan Statistical Area. The SMSA is further defined as an area consisting of one or more cities having a population of 100,000 or more inhabitants in a county or a group of contiguous counties. In short, the Houston SMSA consists of the City of Houston and Harris County, which will be referred to as Metropolitan Houston.

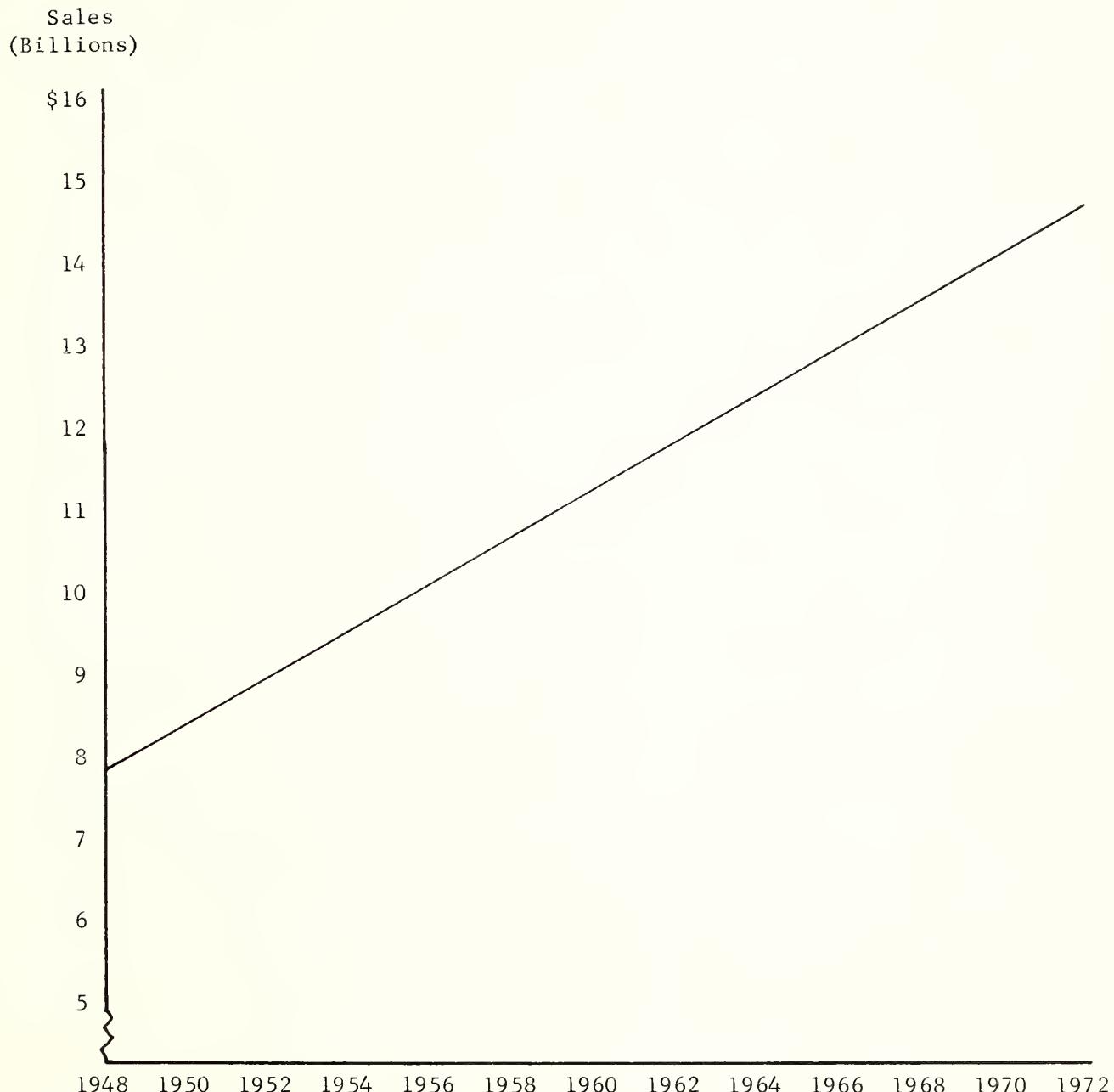
Retail Sales

The volume of retail sales for Metropolitan Houston for 1963 was estimated to be \$1.9 billion, compared with \$1.5 billion in 1958, representing

Chart 1

RETAIL TRADE--STATE OF TEXAS
WITH PROJECTIONS TO 1972

(In 1958 Dollars)



SOURCE: 1948, 1954, 1958, and 1963 Census of Business, Retail Trade, Texas, U. S. Department of Commerce, Bureau of the Census.

an increase in unadjusted dollars of 27 per cent. By deflating the 1963 dollars to the level of 1958 prices, this represents an increase of about 21 per cent in physical volume of retail trade. The increases for the State of Texas were about 19 per cent in unadjusted dollar volume and approximately 12 per cent in terms of 1958 dollars, indicating that the economic growth of the Houston community--insofar as retail sales are a measure of such growth--has exceeded that of the state. This has been true for some years, particularly between 1948 and 1954, and between 1954 and 1958.

Table 4 presents a tabulation of retail sales for Houston, expressed in 1958 dollars. The table indicates that almost all of the categories listed showed increases, with the exception of the lumber, building materials, and hardware category, which showed almost a 20 per cent decline, and the furniture group, which had a 2 per cent decrease.

An analysis of changes in sales between some of the categories may be useful in determining whether different types of retail establishments are being patronized for given kinds of merchandise as compared with a previous year. For example, sales in the general merchandise category--in which department stores are the most important sub-classification--increased, in terms of unadjusted dollars, by about 68 per cent. The sales volume of department stores between 1958 and 1963 was up by approximately 87 per cent. Reported sales for stores in the apparel group were about 19 per cent greater in 1963 than in 1958. On the other hand, the volume of women's apparel stores was up by only 3 per cent and sales of men's and boys' apparel stores increased by less than 2 per cent.

One possible explanation of this phenomenon is the fact that during the same period, sales of family apparel stores increased by 57 per cent. It also is possible that another portion of apparel sales shifted from the

Table 4
 RETAIL TRADE--METROPOLITAN HOUSTON
 (In 1958 Dollars^a)

Retail Store Category	1958 (000)	1963 ^b (000)	Per Cent Change
Total	1,518,391	1,832,146	20.7
Lumber, Building Materials And Hardware	95,932	76,789	19.9 ^c
General Merchandise Group	190,047	303,545	59.7
Food Group	398,023	440,428	10.7
Automotive Group	279,532	386,391	38.2
Apparel and Accessory Group	98,260	111,252	13.2
Gasoline Service Stations	118,393	133,670	12.9
Furniture Group	81,160	79,283	2.3 ^c
Eating and Drinking Establishments	92,661	115,280	24.4
Drug Group	57,580	66,809	16.1
Other Retail Stores	106,863	118,698	11.1

^aDeflation involved use of appropriate BLS Indexes for specific categories or all item index when applicable.

^bSum of specific items does not equal total because of omissions, rounding, and use of different indexes for deflation.

^cDecrease.

SOURCE: 1963 Census of Business, Retail Trade, Texas, Bulletin, BC63-RA45, U. S. Department of Commerce, Bureau of the Census.

more specialized type of establishment (women's and men's apparel stores) to department stores. Additional light is thrown on this provocative question below in the analyses of sales by merchandise lines.

Additional changes believed to be of interest (all in unadjusted dollars) include the following: Food store volume was up by about 16 per cent; automotive sales generally were about 45 per cent higher in 1963 than in 1958; sales of domestic car dealers were up by 55 per cent; sales of imported car dealers were about 126 per cent greater; domestic and imported franchised dealers' sales were up by 19 per cent; non-franchised automobile dealer sales were down by about 2 per cent; sales of tire, battery, and accessory dealers were lower by approximately 20 per cent; and, aircraft, boat, and motorcycle sales were up by 45 per cent.

Also, sales in the furniture and home furnishings group dealers were slightly less than 3 per cent greater in 1963 than in 1958 (in unadjusted dollars); sales of furniture and home furnishings stores were 13 per cent greater; sales of furniture stores were up by 11 per cent; and, sales of household appliance stores were down by 44 per cent.

Sales of eating establishments in 1963 were about one-third greater than in 1958, and the volume for drinking establishments showed a 20 per cent increase.

The volume of establishments in the lumber, building materials, hardware, and farm equipment group declined by about 16 per cent between 1958 and 1963; sales of lumber yards were about 40 per cent lower; sales of building materials dealers were up by less than 1 per cent; hardware stores reported about a 15 per cent increase; and, sales of farm equipment dealers were up by a similar ratio.



Despite an increase in Houston sales volume of 27 per cent in unadjusted dollars--or 21 per cent in 1958 dollars--between 1958 and 1963, the number of retailing establishments for the same period showed only a slight increase, from 11,112 in 1958 to 11,225 in 1963. Categories which had decreases between 1958 and 1963 include: lumber, building materials, hardware, and farm equipment dealer group; the general merchandise group (but not department stores); the food group; franchised car dealers; men's apparel stores; the furniture and home furnishings group; and drug stores. The categories which had more establishments in 1963 than in 1958 include: department stores (almost twice as many establishments, believed to be caused by an increase in discount houses and suburban department stores); non-franchised car dealers (an important segment of which would be used car dealers); the apparel stores group generally, including more women's stores; and eating and drinking establishments.

Additional evidence that the business of retailing appears to be more and more concentrated in larger establishments is provided by the average annual sales of all retail stores in Houston. This average for 1963 was about \$175,000, compared with \$139,000 in 1958, \$98,000 in 1954, and about \$76,000 in 1948. Sales per establishment in the general merchandise category were about \$1.2 million in 1963, compared with about \$600,000 in 1958. Department stores showed a slight decline in average annual sales per establishment, from \$7.9 million in 1958 to about \$7.7 million in 1963. Department store sales in 1963 were almost twice that of 1958, but there were almost twice as many stores in 1963. Again, this is assumed to be due to a greater number of discount department stores and "legitimate" establishments opened in suburban areas, both of which typically would not be such large-volume establishments as the downtown store.

Average annual sales per food establishment (supermarkets being the most important type within this group) were \$250,000 in 1963, compared with about \$200,000 in 1958, a continuation of a trend which has been true for some time. The same average for the entire apparel group varied only slightly between the two years. However, the average for women's stores was less in 1963, about \$184,000, than in 1958, approximately \$221,000. A decline also was true of family clothing stores, about \$455,000 in 1958 and \$411,000 in 1963. However, men's clothing stores averaged \$140,000 in 1963, compared with \$124,000 in 1958.

The average annual sales per furniture group establishment in 1963 was \$135,000, while it was \$122,000 in 1958. Average sales for franchised car dealers showed a significant increase, from \$1.6 million in 1958 to \$3.2 million in 1963. On the other hand, sales of non-franchised car dealers averaged less in 1963 than in 1958. Finally, hardware stores, eating and drinking establishments, and stores in the drug group had higher average sales per establishment in 1963 than in 1958.

Average weekly earnings of all retail employees for Metropolitan Houston, for the full workweek ending on or about November 15, were about \$66, compared with approximately \$59 in 1958. Average weekly earnings for the two years for retail employees in the state were \$60 and \$53.50, respectively. Employees in the general merchandise category earned about \$64 in 1963 and around \$62 in 1958. Average weekly earnings for employees in food stores were \$61 and \$59 for the two years. Employees in franchised automobile dealerships earned about \$114 in 1963, compared with approximately \$90 in 1958. The two averages for employees in the furniture group were \$85 and \$71, respectively. Employees in eating and drinking establishments

averaged \$43 in 1963 and \$35 in 1958. Drugstore employees earned about \$64 in 1963, approximately \$10 more than in 1958.

The only two major categories of retailers in which the average weekly earnings of employees in 1963 were less than those of 1958 were department stores and establishments in the apparel group. Department store employees earned about \$71 in 1958 and approximately \$68 in 1963. Workers in the apparel category earned about \$59 in 1958, slightly less than \$1 more than the 1963 average. Perhaps one plausible explanation of this is the fact that department stores, as well as apparel stores, appear to be moving more in the direction of using a greater proportion of part-time help, catering the number of employees in a given department to store traffic, which may vary considerably during a given workday. Department store officials report this phenomenon appears to be especially true of suburban operations, where pools of individuals, particularly housewives desiring part-time work, are to be found.

Analysis of retail trade for Metropolitan Houston by sales size offers additional evidence that there is a relatively large number of establishments in which sales volumes are relatively small, and conversely, a relatively small number of establishments in which sales volumes are relatively large. Table 5 presents a tabulation of ratios for all stores and the more important major categories in each of seven dollar volume groups. The table shows that slightly more than one-third of all Houston retail establishments did less than \$30,000 in sales for 1963 and that less than 3 per cent sold \$1 million or more. From the table, it also is possible to determine the most "important" sales volume size of each of the categories--department stores in the \$1 million and over class; variety stores in the \$100,000 to

Table 5
 RETAIL TRADE--METROPOLITAN HOUSTON
 BY SALES SIZE
 1963

Store Category	Per Cent of Establishments						
	\$500,000 \$1,000,000 or more	\$300,000 to \$999,999	\$100,000 to \$499,999	\$50,000 to \$299,999	\$30,000 to \$99,999	\$49,999 to \$30,000	Less Than \$30,000
Total All Stores	3.2	2.7	3.7	22.2	20.1	13.4	34.7
Hardware Stores	.8	.8	6.6	21.6	31.4	8.2	30.6
Department Stores	97.0	3.0					
Variety Stores	6.8	9.2	10.4	43.8	14.9	4.5	10.4
Food Stores	8.1	4.9	4.8	26.2	19.8	10.9	25.3
Franchised Car Dealers	62.8	17.0	2.1	11.7	3.2	2.1	1.1
Filling Stations	.1	.1	.9	34.7	34.8	14.9	14.5
Men's Apparel	1.0	3.0	9.1	29.3	21.2	10.1	26.3
Women's Apparel	4.6	11.8	3.3	24.4	24.9	13.8	17.2
Family Apparel	10.1	9.1	13.1	21.2	15.1	9.1	22.3
Furniture Stores	1.9	2.9	6.2	27.8	14.3	8.6	38.3
Eating and Drinking	.2	.7	1.8	11.4	15.3	16.4	54.2
Drug Stores	1.2	6.7	14.3	40.2	19.1	9.7	8.8

SOURCE: 1963 Census of Business, Retail Trade, Sales Size, Bulletin BC63-RS2, U. S. Department of Commerce, Bureau of the Census.

\$299,999 group; and, women's apparel in either the \$100,000 to \$299,999 group or the \$50,000 to \$99,999 category, as a few selected examples.

The Census of Business failed to provide information for metropolitan areas relative to sales figures for each of the dollar volume categories as was done for states, from which it would be possible to determine the percentage of sales coming from a given percentage of establishments, which analysis was done previously for the State of Texas (see Table 3). However, there is no reason to believe that the figures for Houston would be appreciably different from those for the state--except perhaps that it might be found that there is an even greater concentration of sales in a smaller proportion of establishments than was true for Texas.

Retail Sales by Merchandise Lines

The Census of Business in 1963 provided information relating to retail sales, not only by establishments in given categories, but also by broad merchandise lines, enabling students of business administration, generally, and marketing, specifically, together with the business community, to analyze sales of particular lines of goods in terms of the types of establishments making such sales. This is but one of perhaps several different analyses that might be made. The year 1963 was the first time since 1948 that this additional analysis had been made by the Census of Business.

The preface of the bulletin, 1963 Census of Business, Retail Trade, Merchandise Line Sales, West South Central States, Bulletin BC63-RS7H, states: "The needs of important segments of the economy, including manufacturers, wholesalers, and other marketing groups, newspapers and various advertising media, retailers, and Government agencies, led to a widespread demand for the resumption of retail merchandise line statistics which had not been collected since the 1948 Census of Business."

One analysis of sales by merchandise lines is presented in Table 6. In a very real sense, the second column in this table provides a breakdown of how consumers in the Houston area spend a retail dollar. Many studies have been done in the past few years, the purpose of which were to show how individuals or families spend their income, or personal consumption expenditure studies as they are sometimes called. These studies, of course, show a total breakdown of expenditures and not an analysis of spending done in retail establishments. The real value of the information in Table 6 is to show the types of items that are being bought, rather than the establishments where transactions occur.

Expenditures for automobiles and food items represent about 40 per cent of all spending in retail establishments. Spending for packaged alcoholic beverages and tobacco products exceeds expenditures made for men's and boys' clothing. Amounts spent for women's and girls' apparel in 1963 were almost twice the amount spent for men's and boys' clothing. Expenditures for alcoholic beverages were greater than amounts spent for all footwear.

Another type of analysis made possible by the statistics on merchandise line sales is presented in Table 7. Five selected types of products were chosen for the purpose of learning where such items were purchased, and the results, at least in some cases, are surprising. The table shows rather clearly that department stores are of great importance in the purchase of women's apparel, footwear, hardware, and appliances. This, in itself, is not particularly surprising, but when a comparison is made of the proportion of women's apparel bought in department stores as compared with women's apparel stores, it is found that more than twice as much women's clothing is purchased in department stores.

Table 6

RETAIL TRADE--METROPOLITAN HOUSTON
BY MERCHANDISE LINES

1963

Sales Reported by Merchandise Lines	Sales (000)	Per Cent
Total	1,610,950	100.0
Groceries--Other Foods	343,253	21.3
Meals--Snacks	79,235	4.9
Alcoholic Drinks	10,580	0.7
Packaged Alcoholic Beverages	32,714	2.0
Cigars, Cigarettes, Tobacco Products	36,867	2.3
Cosmetics, Drugs, Health Needs, Cleaners	77,154	4.8
Men's and Boys' Clothing, Exc. Footwear	59,843	3.7
Women's and Girls' Clothing, Exc. Footwear	115,940	7.2
All Footwear	37,103	2.3
Curtains, Draperies, Dry Goods	32,295	2.0
Major Appliances, Radio, TV, Musical Insts.	51,017	3.2
Furniture, Sleep Equipment, Floor Coverings	52,824	3.3
Kitchenware, Home Furnishings	23,626	1.5
Jewelry, Optical Goods	18,129	1.1
Sporting, Recreation Equipment	18,303	1.1
Hardware	18,994	1.2
Lumber, Building Materials	44,364	2.8
Automobiles, Trucks	291,284	18.1
Auto Fuels, Lubricants	83,813	5.2
Tires, Batteries, Accessories	55,672	3.5
Farm Equipment, Machinery	2,704	0.2
Hay, Grain, Feed, Farm Supplies	4,325	0.3
Household Fuels, Ice	3,272	0.2
All Other Merchandise	53,694	3.3
Non-Merchandise Receipts	52,298	3.2

SOURCE: 1963 Census of Business, Retail Trade, Merchandise Line Sales, West South Central States, Bulletin BC63-RS7H, U. S. Department of Commerce, Bureau of the Census.

Table 7

RETAIL TRADE -- METROPOLITAN HOUSTON
BY SELECTED MERCHANDISE LINES

1963

Store in Which Sales Reported	In Per Cent of Total Sales Reported				
	Women's and Girls' Clothing ^a	Footwear	Hardware	Appliances ^b	Tobacco ^c
Department and Limited Variety					
Department Stores	49.5	36.7	34.8	43.8	5.6
Limited Variety Stores	4.9	2.4	7.8		
General Merchandise Stores	3.2	2.5	7.4		
General Merchandise and Variety					
Food Group Stores	1.3	4.6			
Eating and Drinking Establishments					
Drug Group					
Men's Clothing Stores					
Women's Clothing Stores	23.6	5.6			
Family Clothing Stores	14.7	12.0			
Shoe Stores	1.0	38.1			
Lumber Yards					
Hardware Stores					
Furniture Stores					
Furniture & Home Equipment Stores					
Household Appliance Stores					
Other Home Equipment Stores					
Radio & Television Stores					
Music Stores					
Record Shops					
Musical Instrument Stores					
Liquor Stores					
Non-Stores (Vending Machines)					
Other, Withheld to Avoid Disclosure					
and Reporting Discrepancy					
TOTAL	<u>100.0</u>	<u>1.6</u>	<u>3.6</u>	<u>.4</u>	<u>100.0</u>

^aExcluding Footwear ^bIncludes, Radio, Television, Musical Instruments ^cCigars, Cigarettes, Tobacco Products.

SOURCE: 1963 Census of Business, Retail Trade, Merchandise Line Sales, West South Central States, Bulletin No. 100, U. S. Department of Commerce, Bureau of the Census.

BC63-RS7H, U. S. Department of Commerce, Bureau of the Census.

Department stores are almost as important as are shoe stores in the sale of all footwear. They are more important in the sale of hardware items than are hardware stores, and they are almost four times as important as household appliance stores in the sale of major appliances.

The column relating to tobacco sales for the most part is much as would be expected, except for the fact that more than 15 per cent of tobacco sales (probably cigarettes exclusively) were from vending machines. This ratio exceeds slightly that of drugstores, which a few years ago certainly would have been important sellers of tobacco products. One perhaps would not have to go back too many years to find the ratio of tobacco sales exactly reversed, between food stores and drug stores, as it appears in the table.

Unfortunately, it is not possible to study trends in terms of merchandise line sales from Census of Business statistics, but the methods followed in the data gathering in 1948, the last year the analysis was available, were somewhat different from those used in 1963, making the comparability questionable. It is hoped that the Census of Business will continue this particular analysis with future publications.

Another analysis believed to be of value from the statistics on merchandise line sales is presented in Table 8, which shows a breakdown, both by dollars and by ratios, of the types of merchandise sold by department stores in Houston during 1963. The table reveals the important types of merchandise sold by department stores, and conversely, those types of items which are relatively of lesser importance. Over one-fifth of department store volume was in women's and girls' clothing, and by combining men's and boys' apparel and all footwear, such items represented close to 40 per cent of all sales made by such establishments. It would be of considerable

Table 8

 RETAIL TRADE--METROPOLITAN HOUSTON
 BY MERCHANDISE LINES
 DEPARTMENT STORES

1963

Merchandise Line	Sales (000)	Per Cent
Groceries--Other Foods	8,451	3.3
Meals--Snacks	3,452	1.4
Packaged Alcoholic Beverages	x ^a	x
Cigars, Cigarettes, Tobacco Products	x	x
Cosmetics, Drugs, Health Needs, Cleaners	8,332	3.3
Men's and Boys' Clothing, Exc. Footwear	24,688	9.8
Women's and Girls' Clothing, Exc. Footwear	57,295	22.6
All Footwear	13,633	5.4
Curtains, Draperies, Dry Goods	18,422	7.3
Major Appliances, Radio, TV, Musical Insts.	22,382	8.8
Furniture, Sleeping Equipment, Floor Coverings	13,693	5.4
Kitchenware, Home Furnishings	9,567	3.8
Jewelry, Optical Goods	4,026	1.6
Sporting, Recreation Equipment	4,615	1.8
Hardware	6,574	2.6
Lumber, Building Materials	6,405	2.5
Auto Fuels, Lubricants	x	x
Tires, Batteries, Accessories	x	x
Farm Equipment, Machinery	x	x
All Other Merchandise	10,728	4.2
Non-Merchandise Receipts	17,606	7.0
TOTAL	253,175	100.0

^aWithheld to avoid disclosure.

SOURCE: 1963 Census of Business, Retail Trade, Merchandise Line Sales, West South Central States, Bulletin BC63-RS7H, U. S. Department of Commerce, Bureau of the Census.

value to businessmen and to students of business to be able to make comparisons between 1963 and previous periods in order to study trends.

Retail Sales of Central Business District and Suburban Areas

One of the most phenomenal developments in the field of retailing--and probably also in marketing generally--has been the growth of suburban shopping facilities. Most of these facilities have been called planned shopping centers, probably for the purpose of not confusing them with "unplanned" or "strip developments" which have characterized most communities, and certainly metropolitan areas, for a good many years. The planned shopping center has been almost entirely a development occurring only after the end of World War II, and generally has been the result of a lack of shopping facilities in suburban areas, and has been particularly true of those communities which have grown "out" rather than "up."

Despite a great deal of theory relating to shopping center developments, it probably would be safe to say that they have been emminently successful in many communities because they have made it possible for the suburban housewife, specifically, and the suburban family, generally, to avail themselves of a more or less acceptable smaller version of a downtown shopping area, but one possessing considerably more convenience than the central shopping district.

It would be most difficult to find groups not interested in some phase of suburban shopping center developments. Certainly the suburban housewife, with limited time and mobility, is vastly interested in finding a shopping facility more convenient to her. Landowners and realtors have expressed a considerable degree of interest in the phenomenon, and certainly retailing establishments--at least those managed by modern, far-seeing, and progressive men--have been very much interested.

As an indication of its awareness of this interest, the Department of Commerce and the Census of Business, have, for some time, compiled statistics relating to retail trade of both downtown and other than downtown areas. The Census of Business defines the Houston Central Business District as that area comprising census tracts 23, 24, 25, 26, 27, 31, 32, 33, and 39. The area is bounded on the north by Buffalo Bayou; on the east by Milby, Walker, and Dowling; on the south by Alabama as far west as Main Street; after which the boundary moves in a northwesterly direction following either Burlington or Taft until the Bayou is reached.

The particular interest in suburban shopping center development might be expressed in terms of the following question: "To what extent have retail sales continued in the downtown area as compared with the level of sales being made in suburban districts?"

Retail sales of Metropolitan Houston between 1958 and 1963 increased, in terms of 1958 dollars, by about 21 per cent. At the same time, sales of establishments in the Central Business District declined by 5 per cent. Table 9 presents a tabulation of retail trade for Metropolitan Houston for 1958 and 1963, showing the rate of change for the period for both areas. With the exception of two categories--lumber, building materials, and hardware and stores in the furniture group--all categories in the metropolitan area showed rather substantial increases, ranging from a high for the general merchandise group of almost 60 per cent and sales of dealers in the automotive group of close to 50 per cent, to somewhat smaller increases--the food store group increase was about 11 per cent, approximately the rate of increase for the "other retail store" category.

Table 9

RETAIL TRADE--METROPOLITAN HOUSTON AND
CENTRAL BUSINESS DISTRICT(In 1958 Dollars^a)

Retail Store Category	Metropolitan Houston			Central Business District		
	1958 (000)	1963 ^b (000)	Per Cent Change	1958 (000)	1963 ^b (000)	Per Cent Change
Total	1,518,391	1,832,146	+20.7	356,689	338,627	-5.1
Lumber, Building Materials and Hardware	95,932	76,789	-19.9	6,157	5,703	-7.4
General Merchandise Group	190,047	303,545	+59.7	80,901	74,877	-7.5
Food Group	398,023	440,428	+10.7	17,743	14,051	-20.8
Automotive Group	279,532	386,391	+38.2	111,313	131,139	+17.8
Apparel, Accessories	98,260	111,252	+13.2	46,133	36,203	-21.5
Service Stations	118,393	133,670	+12.9	6,669	6,862	+2.9
Furniture Group	81,160	79,283	-2.3	27,207	19,027	-30.1
Eating and Drinking Establishments	92,661	115,280	+24.4	18,101	16,570	-8.5
Drug Group	57,580	66,809	+16.1	9,810	8,596	-12.4
Other Retail Stores	106,863	118,698	+11.1	32,655	25,598	-26.2

^aDeflation involved use of appropriate BLS Indexes for specific categories or all item index when applicable.

^bSum of specific items does not equal total because of omissions, rounding, and use of different indexes for deflation.

SOURCE: 1963 Census of Business, Major Retail Centers, Houston, Texas, Standard
Metropolitan Statistical Area, Bulletin BC63-MRC-44, U. S. Department of Commerce.

Table 10 presents a tabulation of the rate of change for Metropolitan Houston and the Central Business District, but adds the rate of change for what is called suburban Houston. Suburban Houston, as the footnote of the table indicates, is the difference between Metropolitan Houston and the Central Business District. The rates of change were computed on the basis of unadjusted or current dollars. In spite of this, some of the changes are surprising. The total for all Suburban Houston stores was a 35 per cent increase, and it is shown that all categories, with the exception of lumber, building materials, and hardware dealers, showed very substantial increases, the lowest increase being 18 per cent for the food group. Sales of dealers in the general merchandise category in suburban areas more than doubled between 1958 and 1963.

Table 11 compares sales of Suburban Houston with the Central Business District for 1958 and 1963, again in terms of 1958 dollars. Even in deflated dollars, all categories--with the exception of lumber, building materials, and hardware--showed rather significant increases. Sales of automotive dealers were 50 per cent more than in 1958, and sales of suburban establishments in the general merchandise group were, again, more than double those of the previous year.

Still another approach to the increasing importance of suburban shopping centers and their impact upon total sales of the Houston area is presented in Table 12, which shows the ratio that Central Business Districts sales were of sales in suburban areas for 1958 and 1963. In all but one category--lumber, building materials, and hardware--the 1963 ratio is less than of 1958, and in some of the categories, the changes were highly significant. For example, in 1958, about three-fourths of total sales in general merchandise establishments were made by downtown stores, but in 1963 the



Table 10

 RETAIL TRADE--METROPOLITAN HOUSTON AND
 CENTRAL BUSINESS DISTRICT
 PER CENT CHANGE IN SALES

1958 to 1963

Store Category	Per Cent Change ^a		
	Central Business District	Metropolitan Houston	Suburban Houston ^b
Total All Stores	- .05	+27.0	+35.3
Lumber, Building Materials, and Hardware	-2.5	-15.7	-16.6
General Merchandise	-2.6	+68.2	+120.6
Food Group	-16.7	+16.5	+18.0
Automotive Group	+24.1	+45.5	+59.7
Gasoline Service Stations	+8.3	+18.9	+19.5
Apparel Group	-17.4	+19.2	+51.6
Furniture Group	-26.4	+2.8	+17.6
Eating and Drinking Places	-3.6	+30.9	+39.4
Drug Group	-7.7	+22.2	+28.3
Other Retail Stores	-17.5	+17.1	+32.2

^aChanges computed on basis of current or unadjusted dollars.^bMetropolitan Houston less Central Business District.

SOURCE: 1963 Census of Business, Major Retail Centers, Houston, Texas,
Standard Metropolitan Statistical Area, Bulletin BC63-MRC-44, U. S. Department
 of Commerce, Bureau of the Census.

Table 11
 RETAIL TRADE--SUBURBAN HOUSTON AND
 CENTRAL BUSINESS DISTRICT
 (In 1958 Dollars^a)

Retail Store Category	Suburban Houston ^b			Central Business District		
	1958 (000)	1963 ^c (000)	Per Cent Change	1958 (000)	1963 ^c (000)	Per Cent Change
Total All Stores	1,161,702	1,493,519	+28.6	356,689	338,627	-5.1
Lumber, Building Materials, Hardware	89,775	71,086	-20.8	6,157	5,703	-7.4
General Merchandise	109,146	228,668	+109.5	80,901	74,877	-7.5
Food Group	372,280	426,377	+14.5	17,743	14,051	-20.8
Automotive Group	168,219	255,252	+51.7	111,313	131,139	+17.8
Apparel, Accessories	52,127	75,049	+43.9	46,133	36,203	-21.5
Service Stations	111,724	126,808	+13.5	6,669	6,862	+2.9
Furniture Group	53,953	60,256	+11.7	27,207	19,027	-30.1
Eating and Drinking Establishments	74,560	98,710	+32.4	18,101	16,570	-8.5
Drug Group	47,770	58,213	+21.9	9,810	8,596	-12.4
Other Retail Stores	74,208	93,100	+25.5	32,655	25,598	-26.2

^aDeflation involved use of appropriate BLS Indexes for specific categories or all item index when applicable.

^bMetropolitan Houston less Central Business District.

^cSum of specific items does not equal total because of omissions, rounding, and use of different indexes for deflation.

SOURCE: 1963 Census of Business, Major Retail Centers, Houston, Texas, Standard
Metropolitan Statistical Area, Bulletin BC63-MRC-44, U. S. Department of Commerce,
Bureau of the Census.

Table 12

RETAIL TRADE--METROPOLITAN HOUSTON
 CENTRAL BUSINESS DISTRICT SALES
 AS A PER CENT OF
 SUBURBAN HOUSTON SALES^a

Retail Store Category	1958	1963
Total All Stores	30.7	22.7
Lumber, Building Materials, Hardware	6.9	8.0
General Merchandise Group	74.1	32.7
Food Group	4.8	3.3
Automotive Group	66.2	51.4
Apparel Group	88.5	48.2
Gasoline Service Stations	5.9	5.4
Furniture Group	50.4	31.6
Eating and Drinking Establishments	24.3	16.8
Drug Group	20.5	14.8
Other Retail Stores	44.0	27.5

^aMetropolitan Houston less Central Business District

SOURCE: 1963 Census of Business, Major Retail Centers, Houston, Texas,
Standard Metropolitan Statistical Area, Bulletin BC63-MRC-44, U. S. Department
 of Commerce, Bureau of the Census.

proportion had dropped to approximately one-third. Close to 90 per cent of all apparel sales were made in central business district stores in 1958, compared with less than 50 per cent in 1963.

From the preceding evidence, it is clear that suburban shopping facilities have had an enormous impact upon the retail sales picture of the Houston area. Despite this, downtown establishments continue to be of considerable importance, as any shopper who patronizes downtown stores would agree. These stores did more than \$350 million worth of business in 1963, very slightly less than their volume in 1958.

Table 13 presents a tabulation of estimated sales volume of some of the more well-known shopping centers in the Houston area, together with the rate of change between 1958 and 1963 for those centers in existence in 1958. Some of the increases for the shopping centers shown were considerable. In the case of Northline Center, as the footnote indicates, the center did not open for business until March of 1963, and one of its department stores, Joske's, did not open until February of the next year. As a result, its sales volume ranking today undoubtedly would be higher than that shown in the table. Also, Pasadena Plaza, while operating the entire year of 1963, opened for business in April of 1962.

Wholesale Trade

Houston's wholesale establishments in 1963 had a sales volume of approximately \$4.5 billion, compared with \$3.6 billion in 1958, representing an increase of 23 per cent. Wholesale sales for the State of Texas increased by 27 per cent for the same period.

Wholesale sales of machinery, equipment, and supplies were about \$590 million in 1963, an increase of 18 per cent over 1958. Sales of

Table 13

 RETAIL TRADE--METROPOLITAN HOUSTON
 SALES OF SELECTED SUBURBAN SHOPPING AREAS

Shopping Area	1958 (000)	1963 (000)	Per Cent Change ^a
Gulfgate Shopping City ¹	29,385	54,084	+84.1
Sharpstown Center ²	b	31,780	
Palms Shopping Center ³	13,602	26,586	+95.5
Long Point Plaza ⁴	b	26,395	
Garden Oaks Shopping Center ⁵	20,568	25,689	+24.9
Northline Shopping Center ⁶	b	19,781 ^c	
Meyerland Plaza ⁷	10,211	16,922	+65.7
Pasadena Plaza ⁸	b	7,581	

^aComputed on basis of current or unadjusted dollars.

^bCenter not open in 1958 or figures not available.

^cCenter not open for business for all of 1963.

¹Includes planned center and area bounded by: Winkler, Reveille, South Side of Holmes, Telephone Road, and Plum Creek Lane.

²Includes planned center on north side of Bellaire Blvd. between Southwest Freeway and Fondren Road.

³Includes planned center and establishments on Griggs Road from Millartto Sunrise, and on South Park Blvd. from Griggs to Browncroft.

⁴Includes planned centers known as Long Point Plaza, Spring Village, Ridgecrest Shopping Center, and Weingarten's Long Point Shopping Center, and establishments on Long Point Road from Johanna Street to Bingle Road, and in the 1700 and 1800 blocks of Wirt Road and Bingle Road.

⁵Includes planned center and establishments on North Shepherd in vicinity of Heidrick Avenue.

⁶Includes planned center on east side of North Freeway from Cross Timbers to Lyerly.

⁷Includes planned center and establishments on S. Post Oak from Beechnut to Jackwood, and on Beechnut from S. Post Oak to S. Rice.

⁸Includes planned center and are bounded by: north side of Spencer Highway, east side of S. Shaver, "I" Avenue, Allen-Genoa Road, and Stewart.

SOURCE: 1963 Census of Business, Major Retail Centers, Houston, Texas, Standard Metropolitan Statistical Area, Bulletin BC63-MRC-44, U. S. Department of Commerce, Bureau of the Census.

automotive equipment and supplies were about \$580 million, up by more than 60 per cent from 1958. Grocery and related products sales were 13 per cent greater in 1963 than in 1958. Drug and chemical wholesale sales increased by 40 per cent. Lumber and construction materials' volume was up by more than 50 per cent.

Electrical goods wholesale volume was around 43 per cent more in 1963 than in 1958; hardware, plumbing, and heating equipment volume was 12 per cent greater; and dry goods and apparel sales were 9 per cent more in 1963. Wholesale volume of farm product raw materials was close to 50 per cent less in 1963 than in 1958. Sales of fresh fruits and vegetables were off by about 7 per cent. Wholesale sales of tobacco and tobacco products were almost the same in 1963 as in 1958.

Average weekly earnings of employees in wholesale establishments in the Houston area for the week ending on or about November 15, 1963, were about \$117, compared with an average of \$105 for the State of Texas. The Houston average for the same week in 1958 was approximately \$100. The \$117 average weekly earnings compares with \$66, the average weekly earnings of all retail employees in Houston for 1963.

Workers in all categories of wholesale trade earned more in 1963 than in 1958. Some of the categories and the average weekly earnings are as follows: motor vehicles and automotive equipment, \$113; dry goods and apparel, \$93; groceries and related products, \$84; electrical goods \$126; hardware, plumbing, and heating equipment, \$113; tobacco and tobacco products, \$94; petroleum bulk stations and terminals, \$118; and, beer, wine, and alcoholic beverages, \$123.

Average annual sales per wholesale establishment were estimated to be about \$1.6 million in 1963, a slight increase over 1958. The comparable

average for the State of Texas, as pointed out earlier, was approximately \$1 million. Almost all of the categories showed increases, as compared with 1958. Two exceptions were found in the case of tobacco and tobacco products establishments, where the average of \$2.5 million was slightly less than the 1958 figure, and hardware, plumbing, and heating equipment, \$.9 million compared with \$1.0 million in 1958. Also, average sales per establishment in the machinery, equipment, and supplies category in 1963 were approximately the same as in 1958, about \$.8 million.

Some of the categories, together with average annual sales per establishment, are as follows: motor vehicles and automotive equipment, \$2.1 million; groceries and related products, \$1.9 million; electrical goods, \$1.3 million; petroleum bulk stations and terminals, \$2.5 million; and alcoholic beverages, \$2.9 million.

The Houston community had about 2,800 wholesale establishments in 1963, which represents approximately 17 per cent more than the number of establishments in 1958. About three-fourths of these were merchant wholesalers, approximately the same number as in 1958.

Service Establishments

Metropolitan Houston in 1963 had slightly more than 8,800 service businesses, which represents an increase of about 14 per cent over 1958. For the same period, Texas had about 8 per cent more establishments. Of the approximately 8,800 establishments, about 40 per cent of them were in the personal services category. Approximately 18 per cent were classified as miscellaneous business services, 17 per cent were miscellaneous repair businesses, while 15 per cent were in the auto repair and auto services category.

These establishments had receipts in 1963 of about \$129 million, representing an increase in current dollars of almost 50 per cent over 1958, and an increase in 1958 dollars of about 42 per cent. Both of these increases exceeded those of the state--35 per cent in unadjusted dollars and 28 per cent in 1958 dollars.

Also, these increases were greater than gains in retail sales for the period for Houston--about 27 and 21 per cent in current dollars and 1958 dollars, respectively. They were also greater than the increase in wholesale sales, which was about 23 per cent. Perhaps this might be construed as evidence that a greater portion of consumers' dollars is going to pay for the cost of services.

Some of the service establishment categories, together with increases in receipts for 1963 compared with 1958, expressed in 1958 dollars, include: personal service establishments showed a 28 per cent increase; auto repair firms did 15 per cent more business in 1963; miscellaneous repair service businesses had 45 per cent greater receipts; and, amusement and recreation businesses except movie theaters had 86 per cent greater receipts in 1963. Motion picture theater receipts were only slightly greater in 1963 than in 1958--about 2 per cent.

Average annual receipts per establishment for all service businesses in 1963 were approximately \$44,000. Motion picture theaters averaged about \$167,000; personal service firms about \$23,000; auto repair firms about \$41,000; miscellaneous repair companies approximately \$29,000; and, amusement and recreation establishments about \$49,000. Each of these averages in 1963 was greater than the 1958 figure.

On the basis of a 315 workday year, average daily receipts for all Houston's service businesses was about \$140. The personal service category

average was about \$108, the auto repair firm's figure was about \$132, and the average daily receipts for miscellaneous repair companies was approximately \$92.

1968 and 1972 Retail Sales Projection

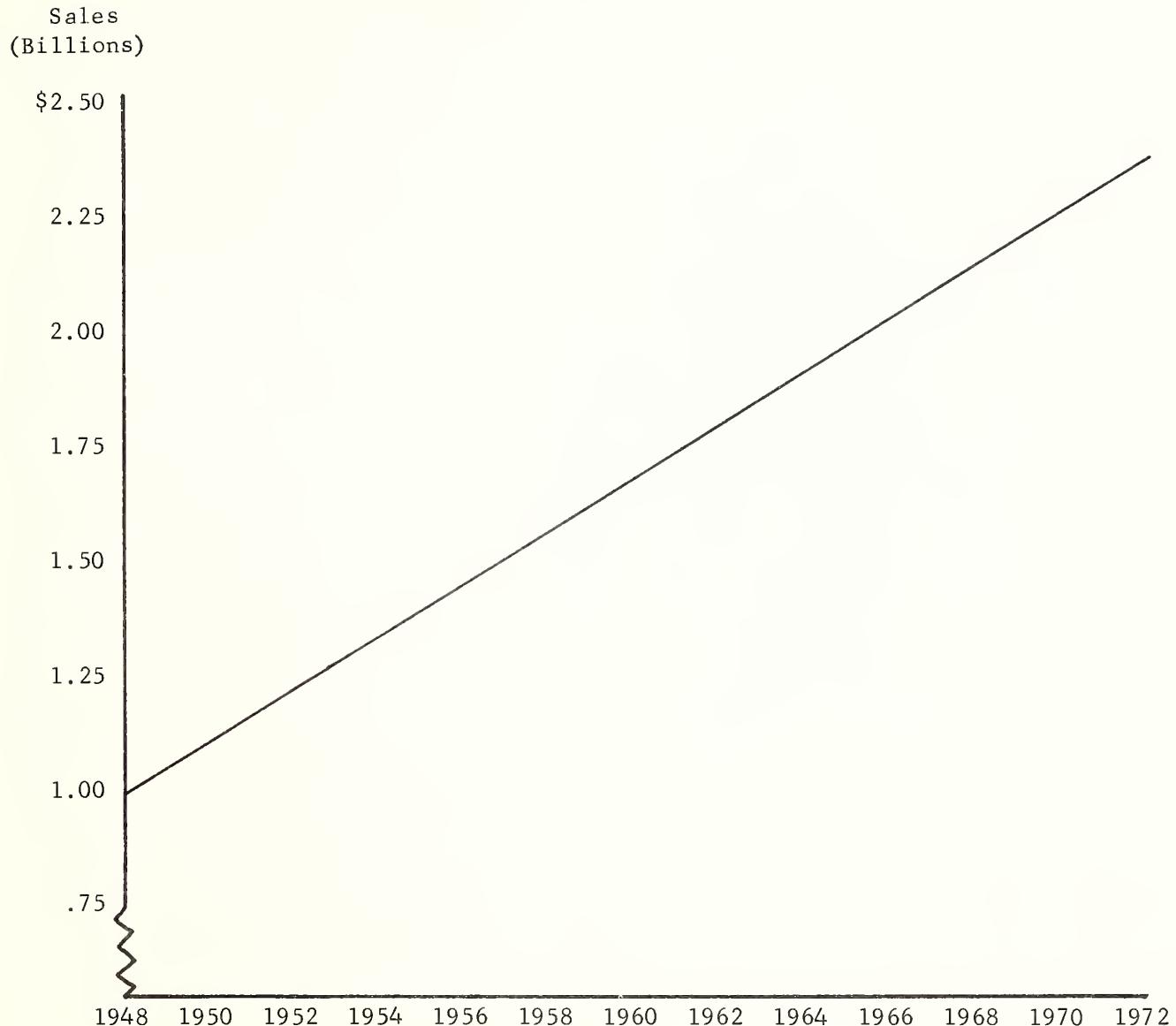
If the same technique, the least squares method, is employed for the sales projection for the State of Texas, Metropolitan Houston's retail sales--expressed in 1958 dollars--should be approximately \$2.1 billion in 1968 and \$2.3 billion in 1972. The 1972 estimate represents an increase of about 26 per cent, as compared with the known 1963 volume of sales.

See Chart 2.

Chart 2

RETAIL TRADE--METROPOLITAN HOUSTON
WITH PROJECTIONS TO 1972

(In 1958 Dollars)



SOURCE: 1948, 1954, 1958, and 1963 Census of Business, Retail Trade, Texas, U. S. Department of Commerce, Bureau of the Census.

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